

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 27, 2011

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No. 06MD-161

MAUI

Reaffirmation and Amendment to Prior Board Action of November 12, 2010, Item D-11, Regarding:

- (1) The Issuance of a Direct Lease, together with Easements for Access, Utilities, Transmission Lines, Overhead Electrical Lines, Maintenance Buildings and Substation purposes to Kaheawa Wind Power II, LLC ("Kaheawa II") for Commercial Renewable Wind Energy Generation Facility Purposes (the "Wind Farm II project"), covering unencumbered State lands and also covering a portion of State land (shared area) encumbered by General Lease No. S-5731 previously issued to Kaheawa Wind Power, LLC ("Kaheawa I"); and
- (2) Delegate to the Chairperson the authority to negotiate and approve the final terms and conditions of the subject lease and easements with Kaheawa II and to negotiate and approve ancillary land disposition documents necessary to effectuate this Wind Farm II project such as amendments or further easements, etc. with respect to Kaheawa I as it relates to the Wind Farm I project at TMK: (2) 4-8-01: Portion of 1, or Kaheawa II as it relates to the subject Wind Farm II project at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1,

all at Olowalu-Ukumehame, Lahaina, Maui, Tax Map Key (TMK):

(2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1.

BACKGROUND:

At its meeting on November 12, 2010 held on Maui, under Agenda Item D-11 (copy attached), the Board approved with amendments the issuance of the above referenced direct lease to Kaheawa II, together with the issuance of easements for access, utilities and transmission lines and overhead electrical lines, and a nonexclusive easement encumbering a portion of General Lease (GL) No. S-5731 previously issued to Kaheawa I (an entity related to but legally separate from Kaheawa II) for the Wind Farm I project. This nonexclusive easement area was approximately 8 acres and is

to be shared with Kaheawa I at TMK: (2) 4-8-01: Portion of 1, for purposes of maintenance buildings and electrical substations.

At the aforesaid Maui meeting, the Board approved staff's recommendations and conditions with the following amendments:

1C. Amend recommendation 1C by amending the numerical amount of the performance bond to "\$1,500,000."

1E. At the end of recommendation 1E, delete the period and continue with the following by adding "and the Lessee is issued an incidental take license by the Department's Division of Forestry and Wildlife."

1F. Amend recommendation 1F by revising 1F entirety to read:

"Vertical construction of the wind turbines shall not commence until the approval by the Public Utilities Commission of the Power Purchase Agreement between the Lessee and the utility company purchasing the electricity. The Applicant/Lessee shall report to staff, who then shall report to the Board on the status of the approval by the PUC of the aforesaid Power Purchase Agreement, upon approval or annually from the date of this Board approval, which ever is to occur earlier. This reporting obligation shall end after the Board has been informed that the Applicant/Lessee has obtained the approval of the PUC of the aforesaid Power Purchase Agreement."

The Board also "Delegate[d] to the Chairperson the authority to negotiate the final terms and conditions of this current lease with Kaheawa II and to negotiate ancillary documents necessary to effectuate this project such as amendments or easements, etc. with respect to Kaheawa I."

DISCUSSION:

Immediately after the Maui meeting, staff requested the Department of the Attorney General to prepare the Lease and Easements to Kaheawa II for execution, in order to meet Kaheawa II's tax credit deadline of December 1, 2010. A Lease and Easement for the project were timely prepared and executed, at least sufficient enough to allow Kaheawa II to meet its tax credit deadline, however the Easement was limited to only 8 acres and limited to the shared use area mentioned above leased to sister company Kaheawa I for the Wind Farm I project at TMK: (2) 4-8-01: Portion of 1, to share the maintenance building and substation. The Easement that was executed does not include the remaining areas needed for access, utilities, transmission lines, overhead electrical lines, etc. within TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1. The Department of the Attorney General recommended that the aforesaid Easement be limited to the 8 acres until such time as it is clear that the Board approves the amount of acres requested by the applicant - in this case an additional 18 acres, more or less, situated both inside and

outside of the Wind Farm I project at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1. This easement of about 18 acres is needed for access, utilities, transmission lines, overhead electrical lines, etc., by Kaheawa II for the Wind Farm II project. Therefore, staff is recommending that the Board reaffirm and, to the extent necessary, amend the November 12, 2010 Board approval to clearly state that the Easement area will consist of 8 acres, more or less, of shared area with the Wind Farm I project (sister company Kaheawa I) at TMK: (2) 4-8-01: Portion of 1, and an additional 18 acres, more or less, of shared area and area connecting the two Wind Farm projects at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1, for a total of 26 acres, more or less, for access, utilities, transmission lines, overhead electrical lines, maintenance building and substation purposes in connection with the subject Wind Farm II project.

Staff understands the contemplated additional easement area of about 18 acres was analyzed as part of the project areas of the CDUP and EIS approved for the Wind Farm II project at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1. It was also included in an amended map provided to the Board at the November 12, 2010 Board meeting and the map shown in Kaheawa II's power point presentation to the Board at said meeting. Therefore, this easement area is not new to the Board, and the Board was previously informed that easements would be required for purposes of access, utilities, transmission lines, overhead electrical lines, etc. and not just the uses contemplated within the 8-acre area (maintenance building and substation) located solely within TMK: (2) 4-8-01: Portion of 1. The issue that arose subsequent to the November 12, 2010 meeting was that the number of acres, i.e., about 18, was not specifically mentioned in staff's submittal or presentation to the Board, whereas the specific references to the 8-acre area may have left the impression that only 8 acres total would be needed for easements.

The Department of the Attorney General also advised that the Board delegation noted above should be stated with specificity, and the title of the Submittal for Agenda and Sunshine purposes should have included the further delegation. Staff agrees the delegation could be clearer, and hereby recommends that the Board amend the prior delegation to read:

"Delegate to the Chairperson the authority to negotiate and approve the final terms and conditions of ~~{this current}~~ the subject lease and easements with Kaheawa II and to negotiate and approve ancillary land disposition documents necessary to effectuate this Wind Farm II project such as amendments or further easements, etc. with respect to Kaheawa I as it relates to the Wind Farm I project at TMK: (2) 4-8-01: Portion of 1, or Kaheawa II as it relates to the subject Wind Farm II project at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1."

Finally, staff is advising this Board that the "no vertical construction" condition noted above in recommendation 1F of the

November 12, 2010 Board's approval was inadvertently left out when documenting the lease and easements due to the extremely tight time crunch staff and the Department of the Attorney General was working under in order to accommodate Kaheawa II's tax credit deadline of December 1, 2010. No further Board action is required on this item, but staff is simply noting that the lease and easement documents will be amended to correctly reflect the aforesaid condition.

RECOMMENDATION:

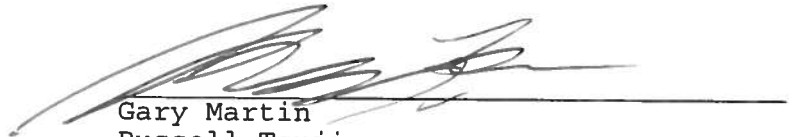
That the Board amend its prior action of November 12, 2010, under agenda item D-11, as follows:

1. Reaffirm and to the extent necessary, amend its November 12, 2010 approval of the issuance of the lease and easements to Kaheawa II for the Wind Farm II project at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1, and for the record, with respect to staff's written Submittal for the November 12, 2010 meeting: delete the first paragraph under the section entitled "AREA" on page one of the Submittal for item D-11 and replace with the following:

The leased premises consist of 135 acres, more or less, together with an easement or easements consisting of 26 acres, more or less, of which an 8-acre portion, more or less, will encumber General Lease No. S-5731 at TMK: (2) 4-8-01: Portion of 1, for purposes of maintenance buildings and electrical substations, and approximately 18 acres will encumber areas over General Lease No. S-5731 and between the Wind Farm I and II projects for at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1, for purposes of access, utilities, transmission lines, overhead electrical lines, etc.

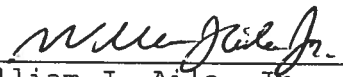
2. Delegate to the Chairperson the authority to negotiate and approve the final terms and conditions of the subject lease and easements with Kaheawa II and to negotiate and approve ancillary land disposition documents necessary to effectuate this Wind Farm II project such as amendments or further easements, etc. with respect to Kaheawa I as it relates to the Wind Farm I project at TMK: (2) 4-8-01: Portion of 1, or Kaheawa II as it relates to the subject Wind Farm II project at TMK: (2) 3-6-01: Portion of 14, and (2) 4-8-01: Portion of 1.
3. Except as amended herein, all terms and conditions listed in its November 12, 2010, approval, as amended, to remain the same.

Respectfully Submitted,



Gary Martin
Russell Tsuji
Land Division

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Interim Chairperson

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

AMENDED

November 12, 2010

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 06MD-161

MAUI

Issuance of a Direct Lease to Kaheawa Wind Power II, LLC, Together with Easements for Access, Utilities, and Covering a Portion of State Land Under the Operation of General Lease No. S-5731, for Commercial Renewable Wind Energy Generation Facility Purposes, and Delegate to the Chairperson the Authority to Negotiate the Final Terms and Conditions of the Lease at Olowalu-Ukumehame, Lahaina, Maui, Tax Map Key (TMK): (2) 3-6-01: Portion 14, and (2) 4-8-01: Portion of 1.

APPLICANT:

Kaheawa Wind Power II, LLC a Delaware Limited Liability Company.

LEGAL REFERENCE:

Sections 171-95 and 171-95.3, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of the Government (Crown) Land of Ukumehame, situated at Ukumehame, Lahaina, Wailuku, Maui, identified by TMK: (2) 3-6-01: Portion 14 and (2) 4-8-01: Portion 1, as shown on the attached vicinity and site plan maps labeled Exhibit A.

AREA:

143 acres, more or less, which include the shared use of approximately eight (8) acres under the operation of General Lease No. S-5731 issued to Kaheawa Wind Power, LLC, an affiliate of the Applicant. The eight (8) acre portion is in close proximity to the proposed Kaheawa Wind Power II, LLC, site.

The above areas are subject to confirmation by the Department of Accounting and General Services, Survey Division.

ZONING

State Land Use District: Conservation
County of Maui CZO: Conservation

EXHIBIT " 1 "

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON

November 12, 2010

D-11

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the State Constitution: NO

CURRENT USE STATUS:

TMK: (2) 3-6-01: 14, a portion of which is the site of the proposed Kaheawa Wind Power II, LLC facility, is vacant and unencumbered.

The eight (8) acre portion of TMK: (2) 4-8-01: 1 is under the operation of General Lease No. S-5731, issued to Kaheawa Wind Power, LLC, for renewable wind energy generation facility purposes. As noted earlier, Kaheawa Wind Power, LLC, is affiliated with the Applicant.

CHARACTER OF USE:

Construct, operate, and maintain a commercial renewable wind energy generation facility for the production of electrical power to be sold to an electric utility company.

LEASE TERM:

Twenty-one (21) years with an option to extend twenty (20) additional years, subject to a rental reopening and a mutual agreement to amend or modify the lease to reflect the then current industry leasing standards for wind energy projects.

The access, easement, utility easement, and easement covering the shared portion of General Lease No. 5731, shall be co-terminus with the proposed subject lease.

COMMENCEMENT DATE:

On or before November 24, 2010, as approved by the Chairperson.

ANNUAL RENT:

The lease rent for the first year of the lease is waived, pursuant to Section 171-6(7), HRS, as amended, which allows the Board of Land and Natural Resources (Board) to waive the first year's rent on any industrial, commercial or business use of public land requiring substantial improvements.

The Department's Land Division staff appraiser report recommended the following rents:

" " T18:11:43 The first 10 years of the lease term to be the greater of \$190,000 per year or 2.5% of gross revenues.

The rent for the remaining term to be renegotiated with the

recommendation that the percentage rent be no lower than 2.5% or greater than 3.5% in keeping with the industry range.

A copy of the appraisal report is attached as Exhibit B.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

The rent shall be reopened and redetermined as of the day following the expiration of the 10th year of the term and at repowering.

"Repowering" shall mean (1) the renewal or replacement of the majority (more than 80%) of the wind turbines as evidenced by, but not limited to, contemporaneous replacement of the wind turbines with different models or (2) a significant modification to that portion of the facility located on the premises such that a significant revision to the existing land use permit or a new land use permit is required for the premises.

However "Repowering" shall not mean (1) reuse of the facility improvements, including roads, erosion control and premises access improvements, meteorological towers or transmission interconnection related to the premises, (2) replacement of the facility substation for any reasons, (3) replacement of the wind turbines on the premises with substantially the same make and model in the same locations, or (4) replacement of any or all of the wind turbines and facility improvements on the premises as a result of casualty or loss.

PERFORMANCE BOND:

The performance bond shall be due prior to the commencement of on-site construction. The performance bond shall be in the amount of \$1,500,000.

IMPROVEMENTS:

The Applicant is proposing to construct, operate, and maintain a commercial renewable wind energy generation facility comprised of fourteen (14) wind turbines, access roadways, and supporting equipment producing up to twenty-one (21) megawatts of electrical power on TMK: (2) 3-6-01: Portion 14.

On TMK: (2) 4-8-01: Portion 1, an easement would be issued to the Applicant to construct, operate, and maintain supporting equipment necessary to the operation of the Kaheawa Wind Power II, LLC, facility.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The subject State-owned land is located in the State Conservation District, accordingly, the Applicant's compliance with Chapter 343 requirements has been addressed through the conservation district permitting process.

The Applicant's Conservation District Use Permit (CDUP) No. MA-3533 was approved by the Department on August 17, 2010 under Agenda Item K-2. The Applicant's Final Environmental Impact Statement was accepted by the Department on May 19, 2010. The Final Environmental Impact Statement was published in the Office of Environmental Quality Control Environmental Notice on June 8, 2010.

The Applicant has developed a Habitat Conservation Plan (HCP) in conjunction with the US Department of Fish and Wildlife Service (USFWS) and the State Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW). The draft HCP has completed public comment at the state level and the final version was approved by the Endangered Species Recovery Committee (ESRC) at its September 16, 2010 meeting. The Applicant anticipates final approval of the HCP in November 2010 by USFWS and the Board.

DCCA VERIFICATION:

Place of business registration confirmed: YES
Registered business name confirmed: YES
Applicant in good standing confirmed: YES

APPLICANT REQUIREMENTS:

1. Obtain final approval of the HCP by USFWS and the Board.
2. Secure project-financing commitments.
3. Provide Survey maps and descriptions according to Department of Accounting and General Services, Survey Division.

REMARKS:

At its September 22, 2006, meeting, under agenda item D-5, the Board approved, as amended, the issuance of a direct lease, in principle, to Kaheawa Wind Power II, LLC, the Applicant, for a commercial renewable wind energy generation facility. The Board amended item D-5 by authorizing the Department to issue a right-of-entry to the Applicant to conduct a flora and fauna study.

The Applicant has obtained a Conservation District Use Permit, completed an archeological survey of the site, conducted a flora and fauna assessment and completed wind tests for the site. The

Applicant's decision to pursue a different site containing 143 acres instead of the original 325-acre site was to avoid areas of native flora and fauna.

This item is being brought back to the Board for its final approval of the direct issuance of a lease to the Applicant for a commercial renewable wind energy generation facility.

The Applicant, an affiliate of First Wind Holdings, LLC (First Wind), proposes to construct, operate, and maintain a twenty-one (21) megawatt renewable wind energy generation facility on 143 acres of the Government (Crown) Lands of Ukumehame, Lahaina, Wailuku, located in the Conservation district at Maalaea, on the island of Maui.

The proposed facility would occupy a portion of two State-owned parcels identified by TMK: (2) 3-6-01: Portion 14 and TMK: (2) 4-8-01: Portion 01.

The Applicant's proposed renewable wind energy generation facility would be similar and located adjacent to the existing thirty (30) megawatt Kaheawa Wind Power facility that commenced operating in the summer of 2006. The existing Kaheawa Wind Power facility is on 200 acres of former Kaheawa Pasture lands, under the operation of General Lease No. S-5731, issued to Kaheawa Wind Power, LLC for use as a commercial renewable wind energy generation facility. The proposed site's close proximity to the existing facility would allow the Applicant to utilize infrastructure developed for the existing facility and in doing so reduce the proposed facility's adverse environmental impacts by minimizing its overall footprint.

The renewable energy generated via wind power at the Kaheawa Wind Power II facility will be sold to Maui Electric Company, Ltd. The electricity will assist the State of Hawaii in its efforts to meet the renewable (energy) portfolio standard established under Section 269-92, HRS, as amended. The indigenous renewable wind energy would provide a hedge against future fossil or bio-fuel cost increases. It would also provide environmental benefits in the form of reduced emissions of greenhouse gases and other pollutants.

On September 20, 2010, the Applicant and Maui Electric Company, Ltd., entered into a Power Purchase Agreement (PPA) for a twenty (20) year term with an indefinite extension option.

Compliance with Chapter 343 requirements has been satisfied through the Applicant's CDUP as approved by the Department with conditions and the Final Environmental Impact Statement which has been accepted by the Department. The Applicant anticipates final approval of the HCP in November 2010.

The Kaheawa Wind Power II, LLC, facility was originally planned for a location to the west and south of the existing Kaheawa Wind Power, LLC, facility. Further diligence and studies revealed that the original location would require a significant amount of additional access roads and would place the facility close to the existing nene release pen and native vegetation areas. The proposed new location of the facility minimizes the footprint of the disturbed area and is further away from the existing nene release pen and native vegetation areas.

The Applicant has satisfied Section 171-95.3, HRS, as amended, by submitting a project description to the Department of Land and Natural Resources and the Department of Business, Economic Development and Tourism. The project description is attached as Exhibit C.

Further, the Applicant has satisfied Section 171-95.3(c) and (d), relating to public hearings including the requirement that the Board's award of a renewable energy lease be done on the island affected.

The construction of the proposed facility will be financed through a combination of First Wind equity and a construction loan. Upon the Commercial Operations Date of the facility, the construction loan is expected to be repaid with the proceeds from an Investment Tax Credit (ITC) grant and the proceeds of a term loan or tax equity financing. The typical source of construction and term loans is the commercial bank market. Although the tax equity market is not as deep as the commercial banking market, Applicant notes that it has strong relationships with multiple organizations in this market and is currently in the process of cultivating new relationships with tax equity investors as well as other commercial banks. Applicant further notes it will not be able to obtain a project financing commitment without land control: e.g. Applicant must obtain an executed General Lease with the State prior to securing financing, as such Applicant requests the execution of the General Lease in advance of project financing.

Over the past two years, the ITC grant has played an important part of the financing plan for several of First Wind's projects. Applicant expects the ITC grant to be an important source of capital for the proposed project. In order for the project to be ITC grant eligible, construction must begin by December 1, 2010 and proceed continuously until construction is substantially complete and the project is commercially operational.

Construction of the facility is targeted to commence with on-site mobilization on December 1, 2010 with a target Commercial Operations Date in the 4th quarter of 2011. The expected life span of the facility is twenty (20) years, after which time Applicant will either

exercise an option to extend the land lease and the PPA, or will remove the facilities and restore the site to its original or better condition per the terms of the lease.

Applicant requests that if the HCP has not received final approval by the USFWS and the Board prior to the commencement date, then the Applicant shall be allowed access onto the project site for the character of use including to commence preliminary construction activities, with the exception that Applicant shall not be allowed to erect wind turbines until the HCP receives final approval.

Given the importance of the ITC grant to the project, Applicant has been able to establish with its contractors the ability to meet the commencement of construction requirements if they are able to mobilize onto the project site by December 1, 2010. However, construction financing and subsequent mobilization on-site is contingent upon the Board's approval of the General Lease and Easements. In order for the Applicant to obtain the ITC grant and project financing, Applicant has requested that the Board establish commencement of the General Lease and Easements by or before November 24, 2010.

The lease form will primarily be based on General Lease No. 5731, previously issued to Kaheawa Wind Power, LLC¹ for the first phase of the Maui Wind Farm project (i.e. Maui Wind Farm No. 1), which project has been implemented and in operation for over five (5) years. The Applicant has requested certain modifications to the prior model wind farm lease, which as of the writing of this submittal is being reviewed and analyzed by staff and the assigned Deputy Attorney General. Staff is requesting the Board delegate to the Chairperson the authority to negotiate the final lease terms and conditions. Staff would like to point out that in the prior wind farm lease (General Lease No. 5731), the Board felt that, in addition to the standard performance bond (covering lease defaults), it wanted the bond to cover the removal of any improvements or equipment constructed or installed on the premises in the event an unfortunate situation results in the project failing or being abandoned. As such, with the assistance of the attorney general's office, special removal language was added and the Board decided to set the performance bond amount at \$1,500,000 in order to assure the adequacy of the bond amount and language of this current lease for phase 2 remain identical with the prior Wind Farm No. 1 lease. Therefore, the current wind farm lease's performance bond amount will also be set at \$1,500,000.

¹ Kaheawa Wind Power, LLC is a separate legal entity from the current Applicant, Kaheawa Wind Power II, LLC, although they have the same parent company.

The Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five (5) years due to non-compliance with such terms and conditions.

RECOMMENDATION: That the Board

1. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a direct lease, together with co-terminus non-exclusive access, electrical transmission line, and shared use easements, to Kaheawa Wind Power II, LLC, covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. Terms and conditions similar to General Lease No. 5731, as applicable.
 - B. The lessee shall comply with the terms and conditions of Conservation District Use Permit MA-3533.
 - C. A Performance bond in the amount of \$1,500,00 to restore the site to its original condition. The State of Hawaii shall be named as an obligee on the bond.
 - D. The project be completed free and clear of liens.
 - E. Vertical construction of the wind turbines shall not commence until the Lessee's HCP has been approved by the USFWS and the Board.
 - F. Approval by the Public Utilities Commission of the Power Purchase Agreement between the Lessee and the utility company purchasing the electricity.
 - G. The State of Hawaii makes no warranties as to the condition or prior uses of the subject premises. The Lessee has inspected the premises and accepts said premises as is.
 - H. Review and approval by the Department of the Attorney General.
 - I. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

November 12, 2010

2. Delegate to the Chairperson the authority to negotiate the final lease terms and conditions for the subject lease.

Respectfully Submitted,

Gary Martin

Gary Martin, Land Agent

APPROVED FOR SUBMITTAL

LH

Laura H. Thielen, Chairperson

Land Board Meeting, November 12, 2010; D-11:

See additional page

Russell Y
Tsuji/DLNR/StateHiUS
12/16/2010 06:13 PM

To Charlene E Unoki/DLNR/StateHiUS@StateHiUS, Gary B
Martin/DLNR/StateHiUS@StateHiUS

cc

bcc

Subject Nov 12 Maui Meeting LD minutes

The LD's minutes for the Maui Wind Farm II is incomplete. My fault. Good thing Adaline had my actual notes.

you're missing the last part::

The Board:

APPROVED with amendments as recommended by staff. The following are the amendments to the recommendations section:

1C. Amend recommendation 1C by amending the numerical amount of the performance bond to "\$1,500,000."

1E. At the end of recommendation 1E, delete the period and continue with the following by adding "and the Lessee is issued an incidental take license by the Department's Division of Forestry and Wildlife."

1F. Amend recommendation 1F by revising 1F entirety to read:

"Vertical construction of the wind turbines shall not commence until the approval by the Public Utilities Commission of the Power Purchase Agreement between the Lessee and the utility company purchasing the electricity. The Applicant/Lessee shall report to staff, who then shall report to the Board on the status of the approval by the PUC of the aforesaid Power Purchase Agreement, upon approval or annually from the date of this Board approval, which ever is to occur earlier. This reporting obligation shall end after the Board has been informed that the Applicant/Lessee has obtained the approval of the PUC of the aforesaid Power Purchase Agreement."

Also, on page 9, a typo of #2 and to change it to a new paragraph J to "Delegate to the Chairperson the authority to negotiate the final terms and conditions of this current lease with Kaheawa II and to negotiate ancillary documents necessary to effectuate this project such as amendments or easements, etc. with respect to Kaheawa I."

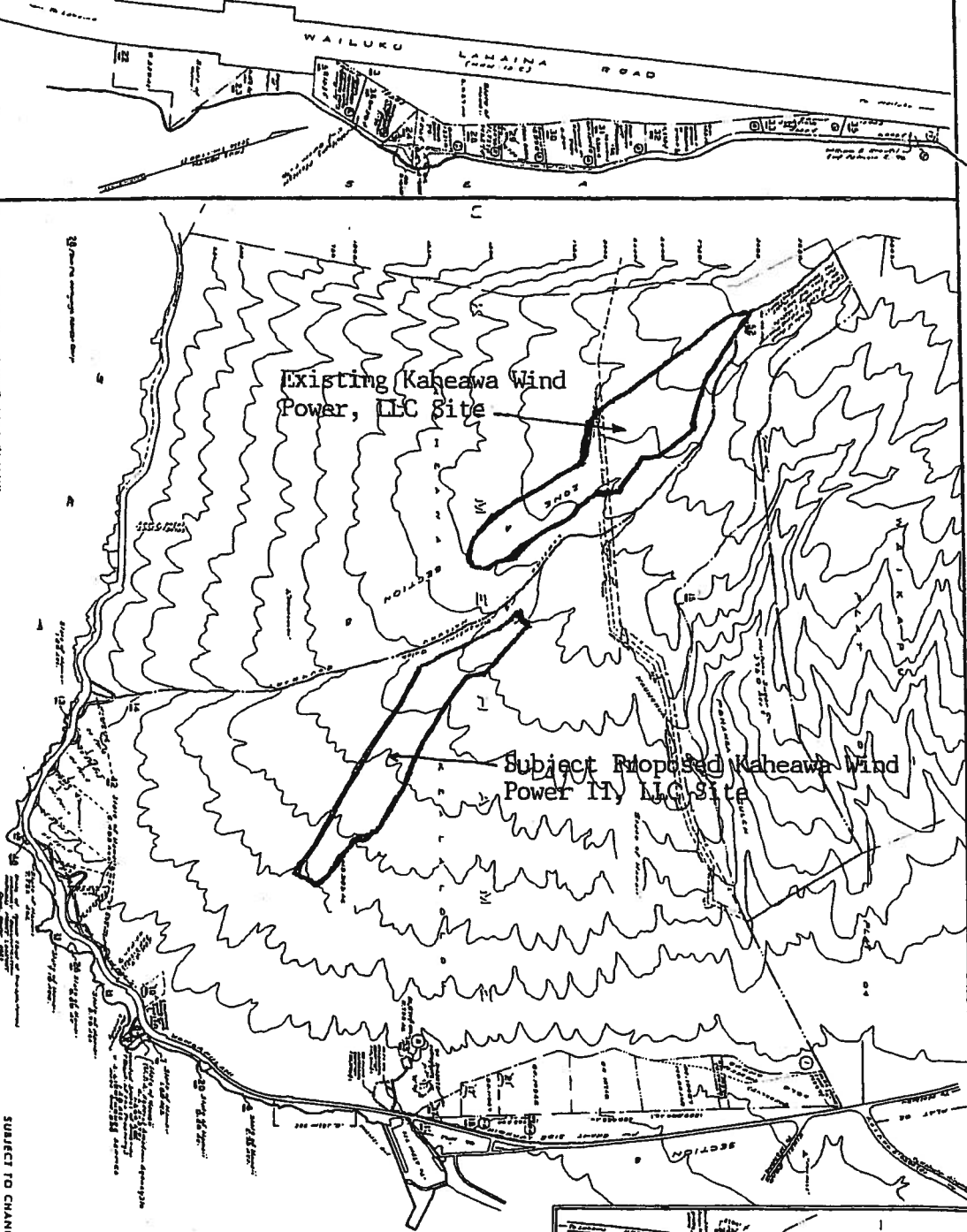
Unanimously approved as amended (Edlao, Goode)



DWD NO. 009
 SOURCE: For Map, Bureau of State Survey Dept.
 11. 11-48 March 11, 1960

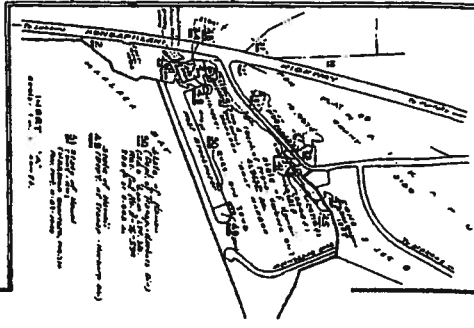
INSET "B"

PER NEAL ALOLOA, UNDEVELOPED, WAILUKU, MAUI



SUBJECT TO CHANGE

TAX MAP	
3	6 01
SHEET 1 OF 1	



3 - 6 - 01 2nd Div

UKUMEHAME WIND FARM
 (C.S.F. 24,027)
AMENDMENT NO. 2 OF GENERAL LEASE NO S-5731
200.000 ACRES
 (KAHEAWA WIND POWER, LLC)

SCALE: 1 INCH = 200 FEET

TRUE NORTH

EASEMENT "A-1"
 (FOR ACCESS PURPOSES)
 (18,208 SQ. FT. OR 0.418 ACRE)

238°37' 144.35
R=470.00
229°47' 14.26
39°36'30" 63.60
R=180.00
219°36'30" 70.66
R=200.00
29°26' 26.72
209°26' 26.72
180°54' 105.09
R=110.00
0°54' 85.98
R=90.00
152°22' 13.73
62°22' 20.00

247°27' 74.89

277°05' 98.89
R=100.00
97°05' 79.11
R=80.00

306°43' 258.92
126°43' 258.03

67°27' 74.89
58°37' 138.20
R=450.00

49°47' 14.26
332°22' 13.73

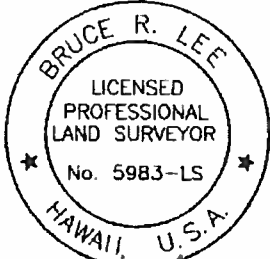
131°47' 124.24

311°47' 116.34
13,992.36 FT. NORTH
4,298.70 FT. WEST
REF TO "PAPAWAI" Δ

EASEMENT "A"
 (FOR MAINTENANCE BUILDING)

EASEMENT "AU-1"
 (FOR ACCESS & UTILITY PURPOSES)

UKUMEHAME LAND OF UKUMEHAME (CROWN) GOVERNMENT



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

T.M.K.:(2) 4-8-001: PORTION OF 001

EASEMENT "A-1"
 (FOR ACCESS PURPOSES)
AFFECTING UKUMEHAME WIND FARM AND
GOVERNMENT (CROWN) LAND OF UKUMEHAME
 SITUATED AT UKUMEHAME, LAHAINA, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
 810 RICHARDS STREET, SUITE 650
 HONOLULU, HI 96813

PREPARED BY:

NEWCOMER - LEE
 LAND SURVEYORS, INC.
 1498 LOWER MAIN STREET, SUITE D,
 WAILUKU, MAUI, HAWAII 96793

SCALE: 1 INCH = 200 FEET

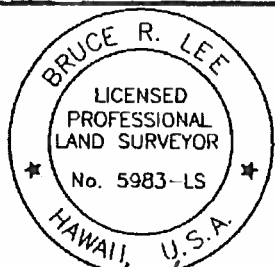
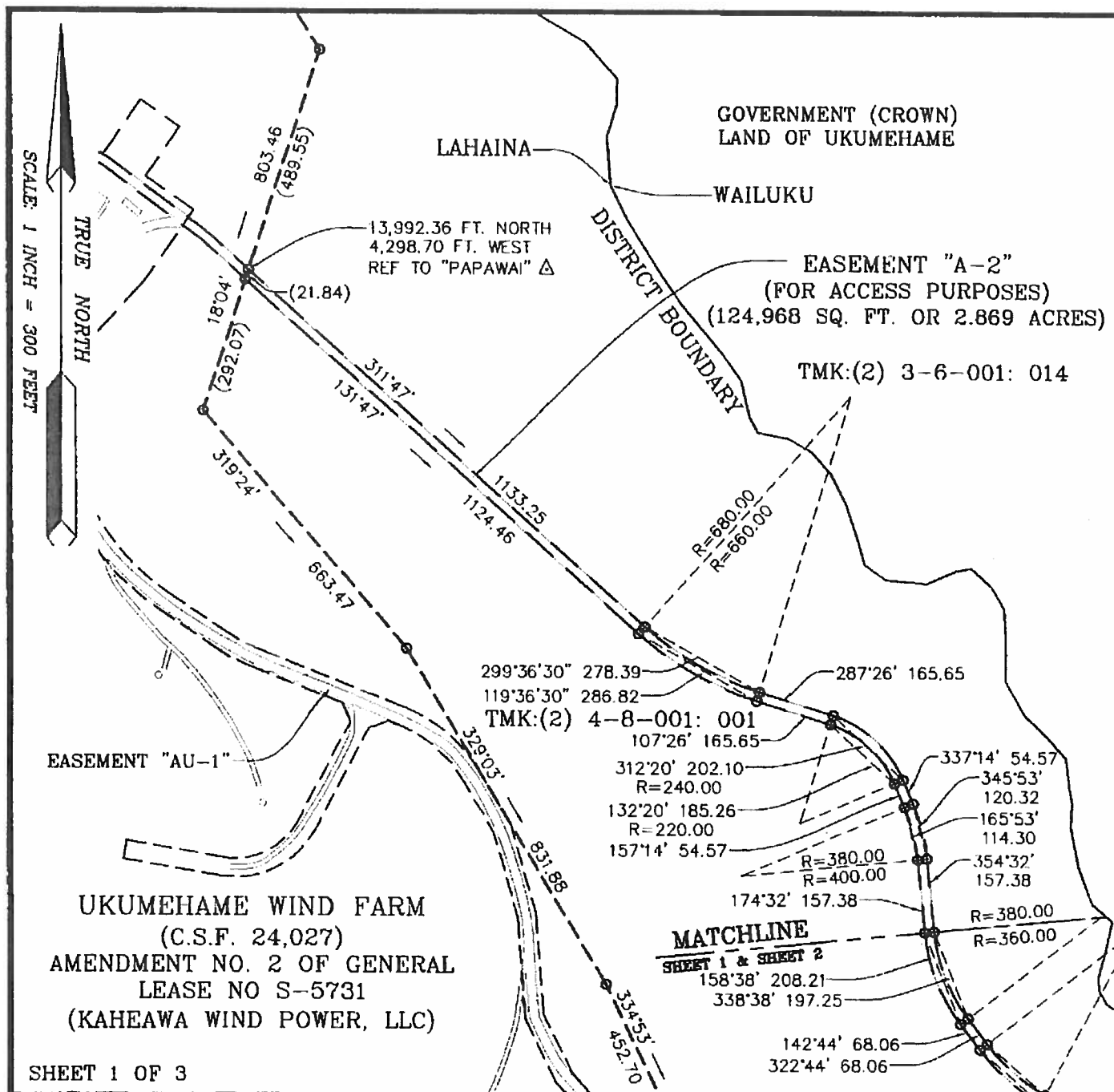
DATE: NOVEMBER 18, 2010

8.5"x11"

DWG NO. 9100-EASE A 1

JOB NO 10 9100

EXHIBIT " 2 "



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

EASEMENT "A-2" (FOR ACCESS PURPOSES) AFFECTING GOVERNMENT (CROWN) LAND OF UKUMEHAME

SITUATED AT UKUMEHAME, LAHAINA AND WAILUKU, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
810 RICHARDS STREET, SUITE 650
HONOLULU, HI 96813

SCALE: 1 INCH = 300 FEET

PREPARED BY:

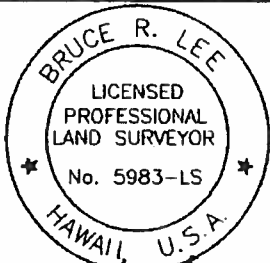
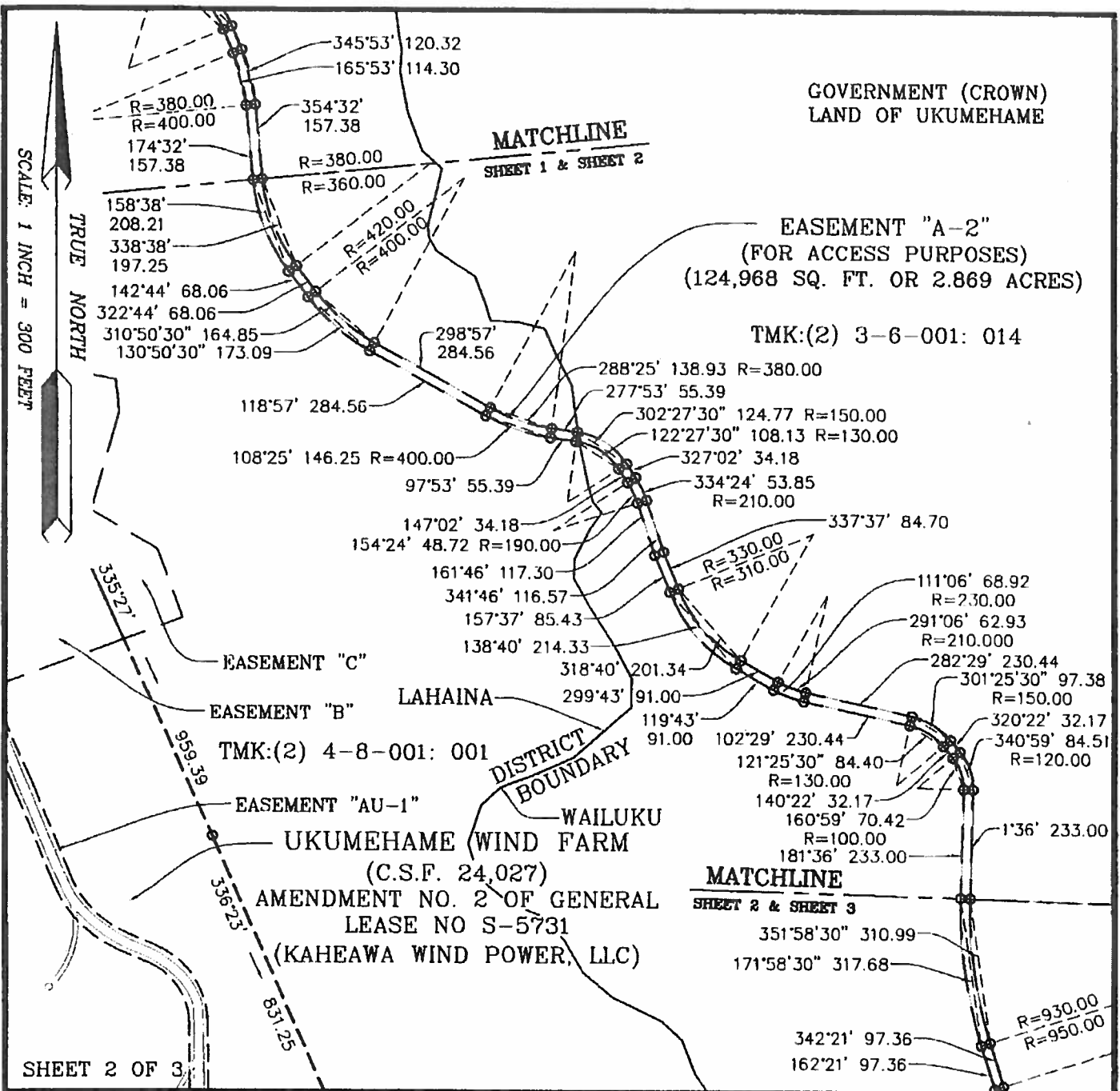
NEWCOMER - LEE
LAND SURVEYORS, INC.
1498 LOWER MAIN STREET, SUITE D,
WAILUKU, MAUI, HAWAII 96793

T.M.K.:(2) 4-8-001: PORTION OF 001 & T.M.K.:(2) 3-6-001: PORTION OF 014

DATE: NOVEMBER 18, 2010

8.5"x11"

DWG NO. 9100-EASE A-2 JOB NO. 10-9100



THIS PLAT WAS PREPARED BY ME OR
UNDER MY DIRECT SUPERVISION.

T.M.K.:(2) 4-8-001: PORTION OF 001 &

EASEMENT "A-2"
(FOR ACCESS PURPOSES)
AFFECTING GOVERNMENT (CROWN)
LAND OF UKUMEHAME

SITUATED AT UKUMEHAME, LAHAINA AND WAILUKU, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
810 RICHARDS STREET, SUITE 650
HONOLULU, HI 96813

SCALE: 1 INCH = 300 FEET

PREPARED BY:

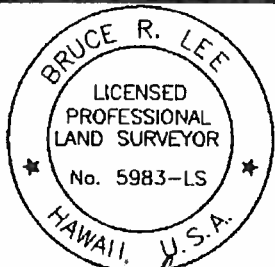
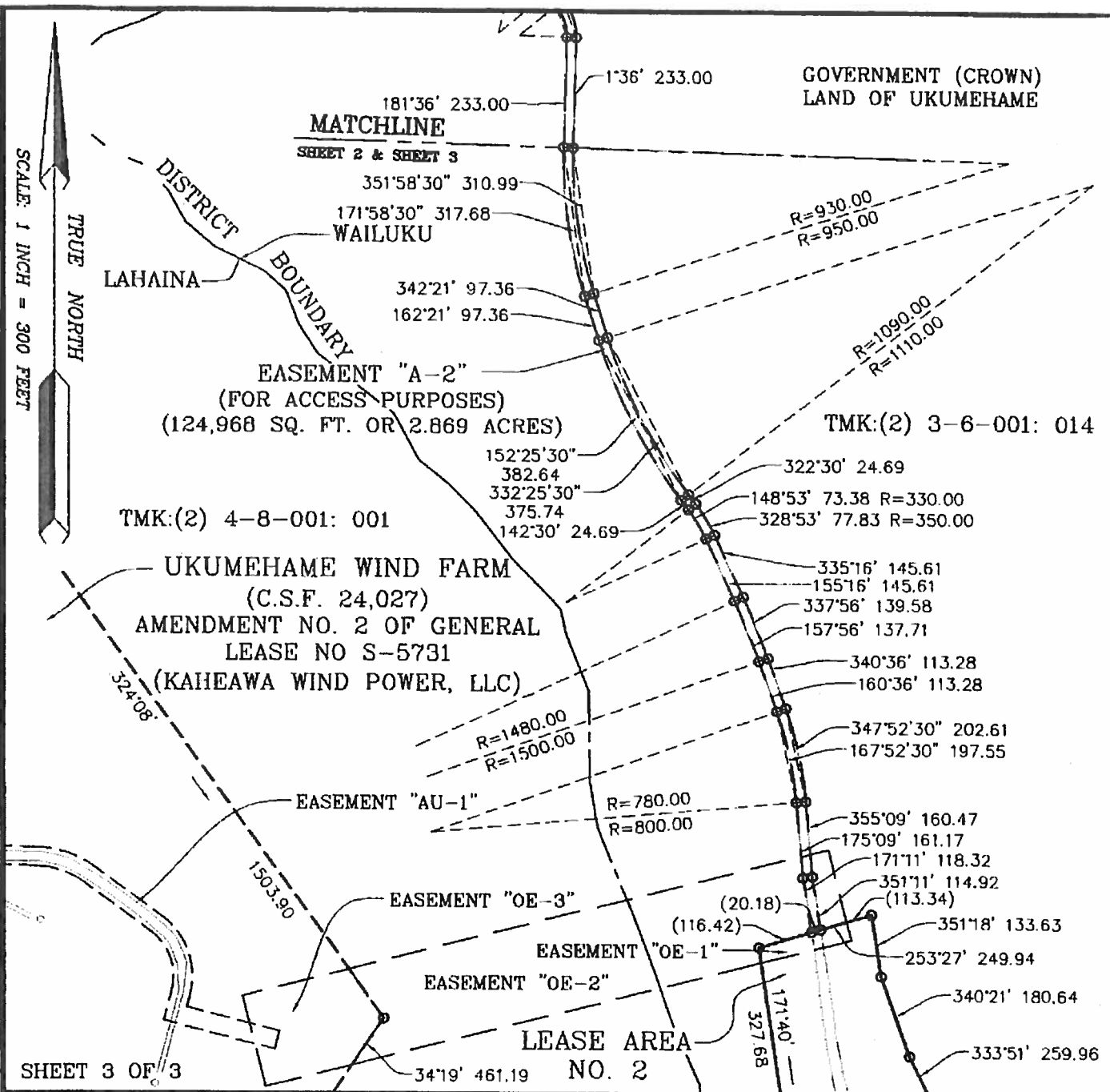
NEWCOMER - LEE
LAND SURVEYORS, INC.
1498 LOWER MAIN STREET, SUITE D,
WAILUKU, MAUI, HAWAII 96793

DATE: NOVEMBER 18, 2010

T.M.K.:(2) 3-6-001: PORTION OF 014

8.5"X11"

DWG NO. 9100-EASE A-2 JOB NO. 10-9100



THIS PLAT WAS PREPARED BY ME OR
UNDER MY DIRECT SUPERVISION.

T.M.K.:(2) 4-8-001: PORTION OF 001 &

EASEMENT "A-2" (FOR ACCESS PURPOSES) AFFECTING GOVERNMENT (CROWN) LAND OF UKUMEHAME

SITUATED AT UKUMEHAME, LAHAINA AND WAILUKU, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
810 RICHARDS STREET, SUITE 650
HONOLULU, HI 96813

SCALE: 1 INCH = 300 FEET

PREPARED BY:

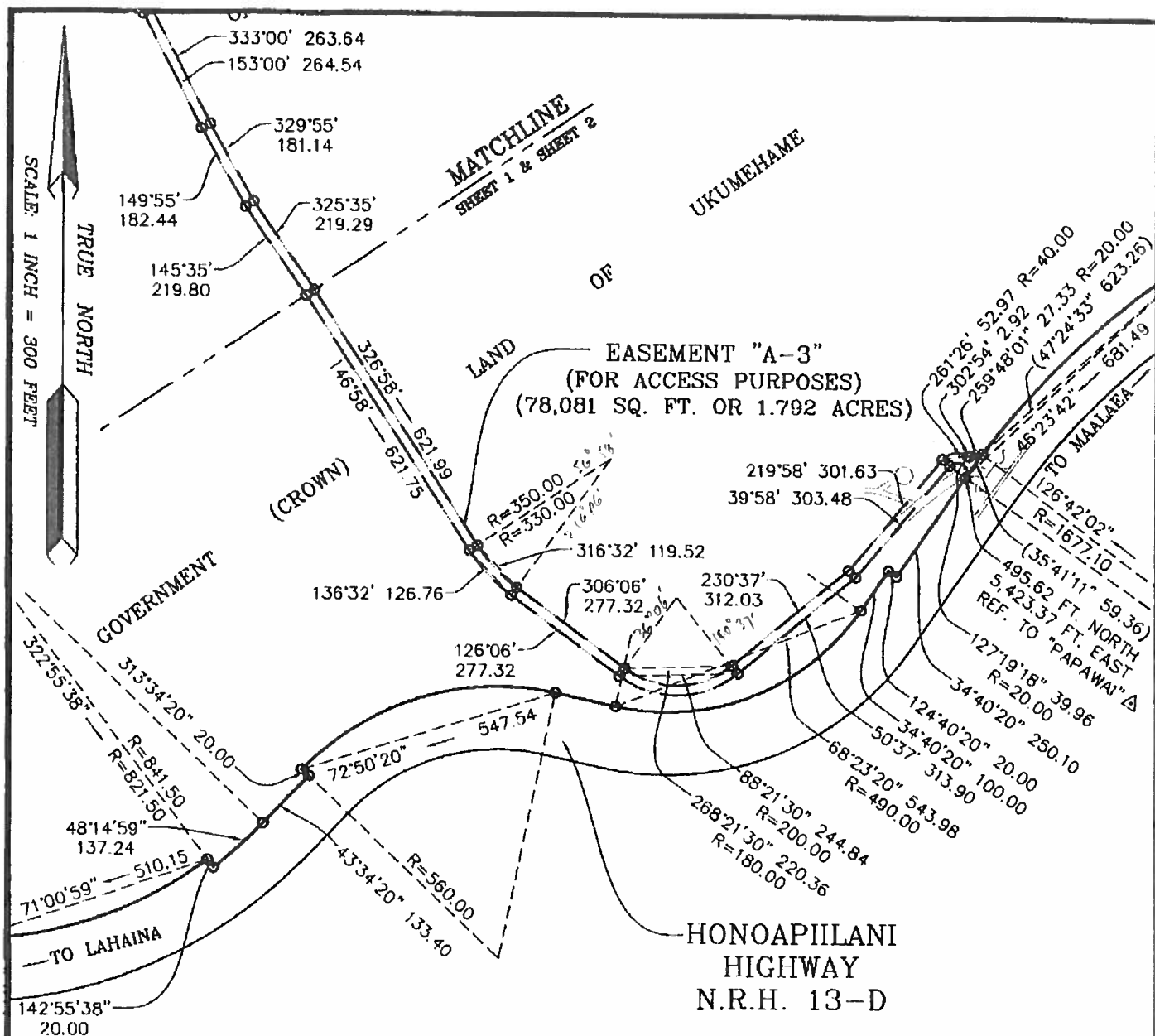
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LAND SURVEYORS, INC.
1498 LOWER MAIN STREET, SUITE D,
WAILUKU, MAUI, HAWAII 96793

DATE: NOVEMBER 18, 2010

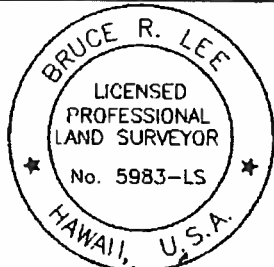
T.M.K.:(2) 3-6-001: PORTION OF 014

8.5"X11"

DWG NO. 9100-EASE A-2 JOB NO. 10-9100



SHEET 1 OF 2



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

T.M.K.:(2) 3-6-001: PORTION OF 014

EASEMENT "A-3"
(FOR ACCESS PURPOSES)
AFFECTING GOVERNMENT (CROWN)
LAND OF UKUMEHAME

SITUATED AT UKUMEHAME, WAILUKU, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
810 RICHARDS STREET, SUITE 650
HONOLULU, HI 96813

PREPARED BY:

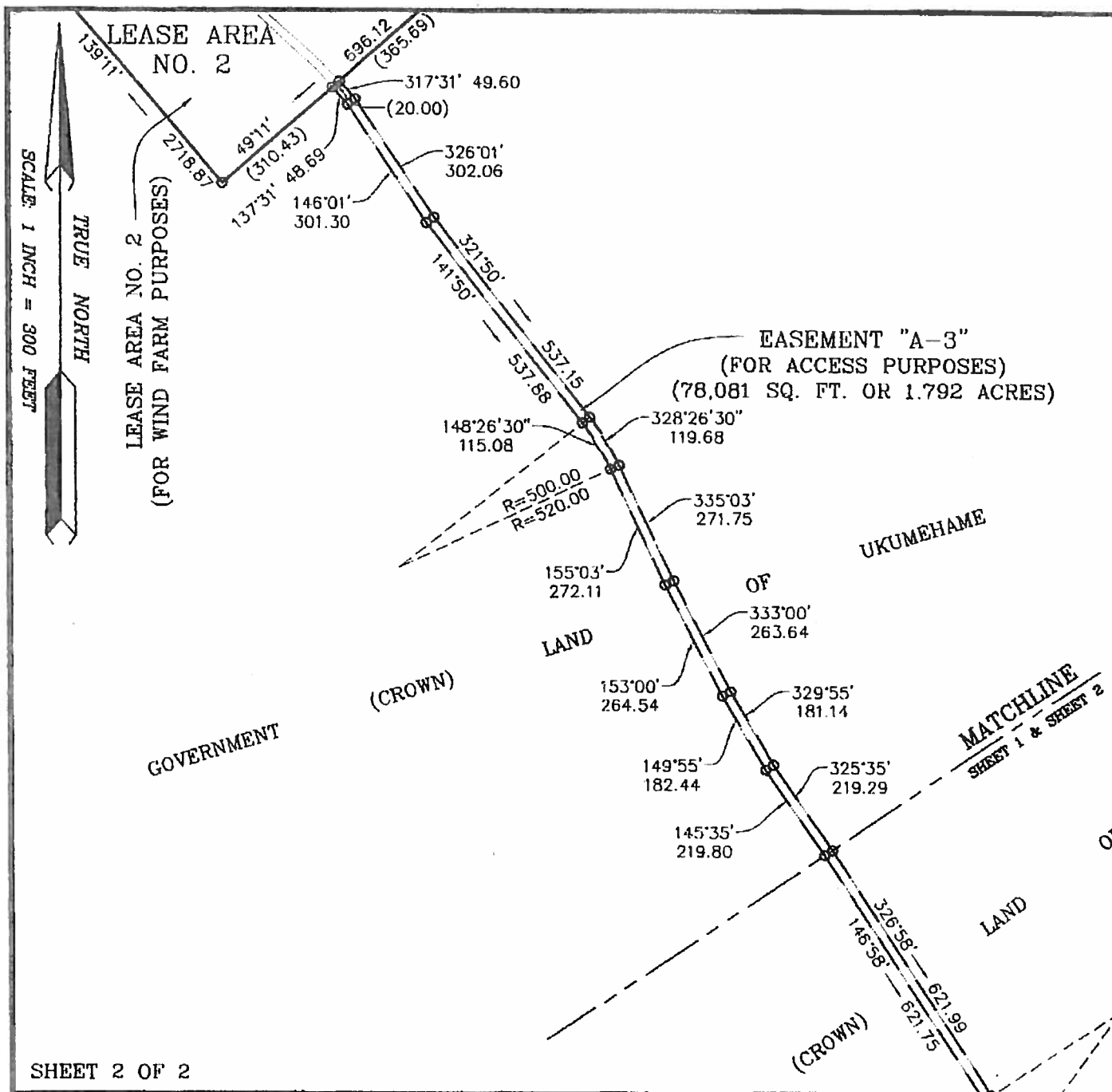
NEWCOMER - LEE
LAND SURVEYORS, INC.
1498 LOWER MAIN STREET, SUITE D,
WAILUKU, MAUI, HAWAII 96793

SCALE: 1 INCH = 300 FEET

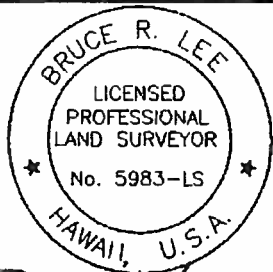
DATE: NOVEMBER 19, 2010

8.5"X11"

DWG NO. 9100-EASE A-3 JOB NO. 10-9100



SHEET 2 OF 2



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.

T.M.K.: (2) 3-6-001: PORTION OF 014

EASEMENT "A-3"
(FOR ACCESS PURPOSES)
AFFECTING GOVERNMENT (CROWN)
LAND OF UKUMEHAME

SITUATED AT UKUMEHAME, WAILUKU, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
810 RICHARDS STREET, SUITE 650
HONOLULU, HI 96813

PREPARED BY:

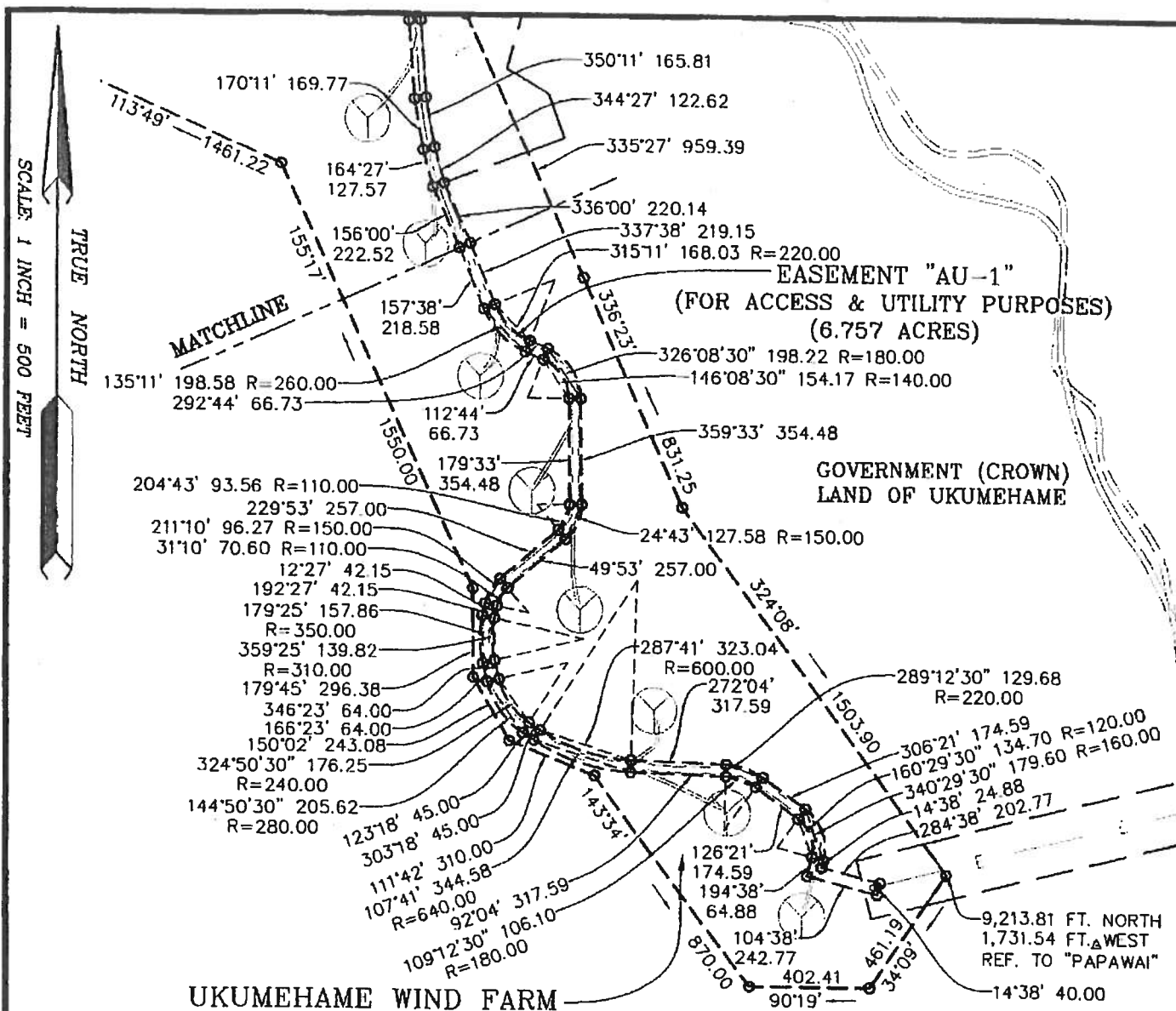
NEWCOMER - LEE
LAND SURVEYORS, INC.
1498 LOWER MAIN STREET, SUITE D,
WAILUKU, MAUI HAWAII 96793

SCALE: 1 INCH = 300 FEET

DATE: NOVEMBER 19, 2010

8.5"X11"

DWG NO. 9100-EASE A-3 JOB NO. 10 9100



UKUMEHAME WIND FARM

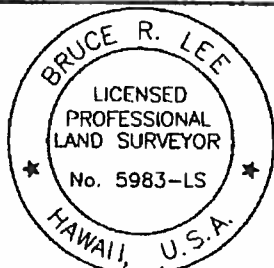
(C.S.F. 24,027)

AMENDMENT NO. 2 OF GENERAL LEASE NO S-5731

200.000 ACRES

(KAHEAWA WIND POWER, LLC)

SHEET 2 OF 2



THIS PLAT WAS PREPARED BY ME OR
UNDER MY DIRECT SUPERVISION.

T.M.K.:(2) 4-8-001: PORTION OF 001

EASEMENT "AU-1"
(FOR ACCESS & UTILITY PURPOSES)
AFFECTING UKUMEHAME WIND FARM AND
GOVERNMENT (CROWN) LAND OF UKUMEHAME
SITUATED AT UKUMEHAME, LAHAINA, MAUI, HAWAII

PREPARED FOR:

KAHEAWA WIND POWER II, LLC
810 RICHARDS STREET, SUITE 650
HONOLULU, HI 96813

PREPARED BY:

NEWCOMER - LEE
LAND SURVEYORS, INC.
1498 LOWER MAIN STREET, SUITE D,
WAILUKU, MAUI HAWAII 96793

SCALE: 1 INCH = 500 FEET

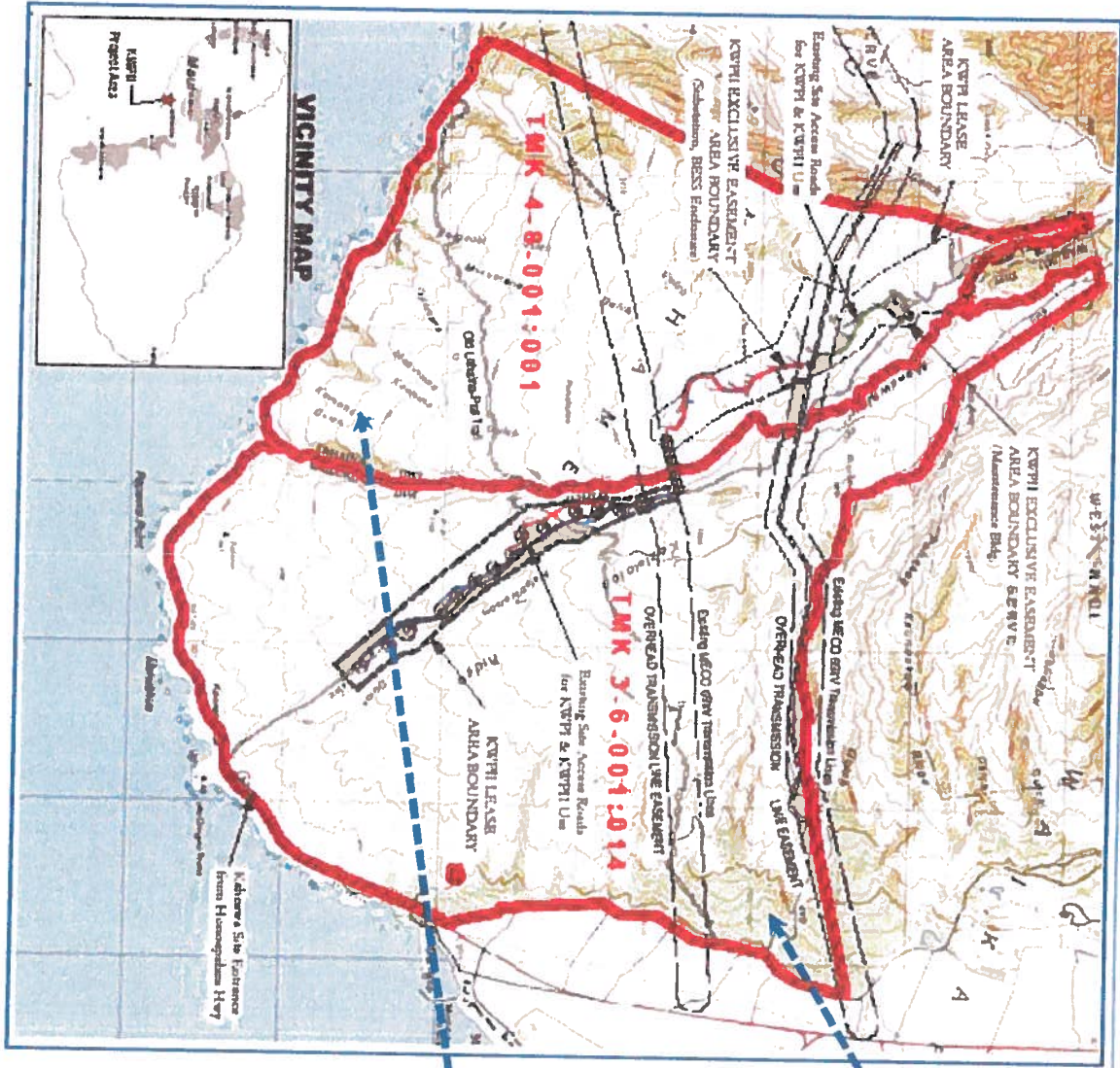
DATE: NOVEMBER 11, 2010

8.5"x11"

DWG NO. 9100-AU EASE

JOB NO. 10-9100

Tax Map Key – Lease & Easement



TMK 3-6-001:014

Portion only
~135 acres
General Lease

TMK 4-8-001:001

Portion only
~8 acres
Grant of Easement over
land under lease to
KWPI